

Exhibit No. 3Date 2-23-07Bill No. SB-534

IV. SUMMARY

Table 12 shows the returns based on revenue and total asset values by revenue source. A large part of the return is from appreciation and not net revenue. The rate of return from revenue is 1.23 percent of the asset value. This is higher than last year's return from revenue of 0.97 percent. The overall rate of return on assets is 5.6 percent, reflecting the additional values from land appreciation as well as the increase in net revenue. This year's rate of return is greater than 1 percent higher than last year's return of 4.2 percent. The overall rate of return is up by 33 percent over last year, reflecting the much higher resource prices in FY 2005.

Table 12
Montana Department of Natural Resources and Conservation
Trust Returns by Net Revenue and Total Return⁵
FY 2005 (Thousands of Dollars)

Source	Net Revenue	% of Assets	Appreciation	% of Assets	Total Return	% of Assets
Agriculture	\$10,588	0.38%	\$110,039*	3.92%	\$134,927*	4.81%
Grazing	3,529	0.56%	36,680*	5.78%	44,976*	7.09%
Forests	9,084	2.54%	8,503*	2.37%	17,667*	4.9%
Minerals	22,773	4.79%	97,805	20.55%	120,579	25.3%
Real Estate	2,689	1.64%	5,071*	3.09%	7,778*	4.7%
Total	\$48,693	1.23%	\$173,348**	4.38%	\$222,041**	5.6%

*Includes minerals and/or other bureau returns

** In order to avoid double counting, the total includes Ag. & Grazing, Forests, and Real Estate values only.

⁵ Trust resources are not managed in the same manner as privately held resources. In addition to providing revenue, other social and political issues are considered in most economic decisions associated with managing trust assets. Consequently, evaluating trust performance solely on the basis of the rate of return without considering all of the goals and objectives of trust asset management could lead to inaccurate conclusions about the "financial" management of trust assets.